

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 15, 2009
POSITION: Oppose

BILL NUMBER: SB 122
AUTHOR: F. Pavley
RELATED BILLS: SB 178 of 2008
(Steinberg)

BILL SUMMARY: Groundwater Monitoring Program

This bill would establish a statewide groundwater elevation monitoring program coordinated by the Department of Water Resources (DWR). It would require DWR to: (1) receive and evaluate notifications from local entities proposing to conduct the required monitoring, (2) prepare a groundwater report by January 1, 2012 and every five years thereafter, and (3) assess a fee on well owners within its monitored area to recover its direct costs.

FISCAL SUMMARY

DWR estimates that its costs for developing and maintaining data management systems would be \$2 million in each of the first two years, and \$1 million for annual operating costs. In addition, DWR estimates that it would need \$3 million per year for groundwater elevation monitoring. The bill would allow DWR to assess a fee to well owners within its monitored area to cover its direct costs.

DWR further estimates that it would need \$5 million to \$6 million over three years to perform groundwater basin investigations and prepare the 2012 groundwater supply report. Because this reporting requirement is not related to groundwater elevation monitoring, these costs would have to be funded from the General Fund, rather than the new fee.

In addition, there are unknown, but potentially significant, costs associated with the additional groundwater elevation monitoring requirements. These costs would be incurred by the local entity performing the monitoring. The bill specifies numerous local water agencies and districts that may perform monitoring, but does not require any organization to perform the monitoring. Therefore, the bill does not create a state-reimbursable mandate.

COMMENTS

Although this bill could provide meaningful information that may lead to better groundwater management, Finance opposes the bill because it would create new General Fund costs.

There is no existing state law that provides direct groundwater regulation. Groundwater may be appropriated and diverted outside of groundwater basins by cities, water districts, and other users whose lands do not overlie a groundwater basin. In 1914, California created a water rights permit process governing the appropriation of surface water and subterranean streams. Water users who take water for beneficial use from surface watercourses and "subterranean streams flowing through known and definite channels" must obtain water rights permits or licenses from the State Water Resources Control Board (Board). The Board has developed a test to identify groundwater subject to permit and has issued decisions that specify subject streams. Groundwater that does not meet the Board's test is "percolating groundwater" and is not subject to permits. The method to appropriate percolating groundwater is to simply pump the water and put it to reasonable beneficial use.

Analyst/Principal (0633) M. Almy	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

F. Pavley

April 15, 2009

SB 122

COMMENTS (Continued)

This bill is very similar to SB 178 of 2008 (Steinberg) which was vetoed by the Governor because it would have created significant new General Fund costs.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	Fund Code
3860/Water Res	SO	No	-----	See Fiscal Summary					0001